



California's Unemployment Rate Continues To Drop

California's unemployment rate for June 1997 was 6.2 percent, the lowest level since September 1990. The unemployment rate in June 1996 was 7.2 percent.

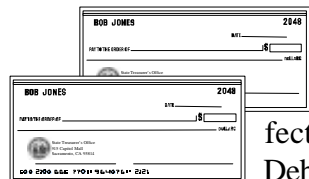
June also marked the 20th consecutive month of record high payroll employment in California. According to the Employment Development Department, California's economy added 20,100 jobs in June 1997. Since May 1993, the lowest point of the recession, the number of jobs in California has increased by over 1.1 million.

Small Business Enterprise Program Update

We reported in the June 1997 issue of *The Treasury Note* that the Treasurer implemented a Small Business Enterprise (SBE) Program to provide small firms with an opportunity to compete with larger firms for business with the State. Of the 142 firms in our Bond Counsel, Financial Advisory and Underwriting pools, 39 firms have qualified for inclusion in the SBE Program.

If you would like more information regarding this program, please call the *Public Finance Division* at (916) 653-3491.

Debt Service Payments and The Budget



If you own State-issued bonds, the budget delays will **not** affect your debt service payments. Debt service payments to bondholders

are continuously appropriated and do not require passage of the State budget each year. If you have any questions regarding your debt service payment, please call the *Bondholder Services Section* at (916) 653-2884.

The Treasurer's New Appointments

The State Treasurer has appointed the following teams to assist him in the upcoming bond sales (see sales calendar on the back page):

Riverside County 4th District Court of Appeals

Senior Manager: Artemis Capital Group, Inc.
Co-Managers: Alamo Capital Corporation; Prudential Securities Incorporated; Redwood Securities Group, Inc.; Renge Securities & Co. Inc.

State Public Works Board, UC Regents/California Department of Corrections Refunding

Senior Manager: Goldman Sachs & Co.
Pricing Advisor: Fieldman, Rolapp & Associates
Co-Managers: BancAmerica Securities, Inc.; Henderson Capital Partners, Inc.; Lam Securities Investments, Inc.; Oppenheimer & Co., Inc.; PaineWebber Incorporated; Samuel A. Ramirez & Co., Inc.
Bond Counsel: Orrick, Herrington & Sutcliffe
Co-Bond Counsel: Cox, Castle & Nicholson, LLP

State Public Works Board, California State University

Senior Manager: J.P. Morgan Securities, Inc.
Pricing Advisor: Public Financial Management, Inc.
Co-Managers: Bear, Stearns & Company, Inc.; E. J. De La Rosa & Co., Inc.; Great Pacific Securities, Inc.; J.C. Bradford & Co., Inc.; Smith Barney Inc.; Stone & Youngberg, LLC; William E. Simon & Sons Municipal Securities, Inc.
Bond Counsel: O'Melveny & Myers
Co-Bond Counsel: Musick, Peeler & Garrett, LLP

California State University Headquarters Building Authority

Senior Manager: PaineWebber, Inc.
Co-Managers: Cambridge Partners, L.L.C.; Charles A. Bell Securities Corp.; Girard Securities Inc.; Guzman & Company; M.R. Beal & Company; Prager, McCarthy & Sealy

1997-98 Revenue Anticipation Notes

Note Counsel: Orrick, Herrington & Sutcliffe
Co-Note Counsel: Chan Law Group PLC
Financial Advisor: Public Resources Advisory Group

Ask The State Treasurer

Q: I recently purchased a California State Book - Entry Bond from my broker, and all I received was a receipt. How can I know which type of bond I purchased?

A: On your receipt there is a CUSIP number. The CUSIP number is a unique identification number given to each bond, based on maturity year, interest rate and issue date. You can call the *Bondholder Services Section* at (916) 653-2884 and they will look up the CUSIP number and tell you which type of bond you purchased.

Q: Does the State Treasurer's office provide a toll-free 800 telephone number for bondholders?

A: At this time, the Treasurer's office does not have this service available. However, if you call the *Bondholder Services Section* at (916) 653-2884 and leave your name and telephone number, staff will return your call.



Do you have a question you would like to ask the Treasurer? Send it to the *Investor Relations Program* at P.O. Box 942809, Sacramento, CA 94209-0001.

The Treasury Note Mailing List

If you would like to be on the mailing list to receive *The Treasury Note* monthly, please send your name and address to the *Investor Relations Program* at P.O. Box 942809, Sacramento, CA 94209-0001.

Bond Sales Calendar*

If you are interested in purchasing any of these bonds, please contact your broker about two weeks before the sale date. For updated information regarding upcoming sales, please contact the State Treasurer's office at (916) 653-3243.

BOND SALES	AMOUNT (in millions)	SALE DATE
1997-98 Revenue Anticipation Notes	\$3 Billion	Summer 1997
General Obligation	\$700-1 Billion	Summer 1997
California State University Headquarters Building Authority	\$35-40	Fall/Winter 1997
Riverside County 4th District Court of Appeals	\$13	Fall/Winter 1997
State Public Works Board, California State University	\$163	Fall/Winter 1997
State Public Works Board, California Museum of Science and Industry	\$36	Fall/Winter 1997
State Public Works Board, UC Regents/California Department of Corrections	\$222	Fall/Winter 1997
State Public Works Board, Refundings-Variou	\$530	Fall/Winter 1997
East Bay State Building Refunding	\$53	Fall/Winter 1997
Department of Water Resources, Central Valley Project	\$160	Fall/Winter 1997
Oakland State Building JPA	\$175	Spring 1998
*Subject to change without notice		

Listing of Redemptions

This listing reflects redemptions officially announced as of August 1, 1997. These bonds will be redeemed on September 1, 1997.

State Public Works Board, Department of Corrections Lease Revenue Bonds, 1987 Series A (Partial Redemption)

\$16,215,000 due September 1, 2001

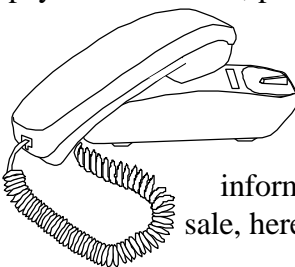
\$17,255,000 due September 1, 2002

\$157,215,000 due September 1, 2009

If there are any questions regarding the purpose or timing of these calls, please call (916) 653-3451. For redemption or registration information, please call (916) 653-2884.

Attention Registered Bondholders:

The State Treasurer's office is planning to implement an Electronic Fund Transfer (EFT) program for bond principal and interest payments. If you would be interested in receiving your principal and interest payments via EFT, please call (916) 653-2884.



How To Reach Us

If you have a question regarding your bonds or if you need information on an upcoming bond sale, here are the numbers to call:

Registration or payment on a bond:

Bondholder Services Section (916) 653-2884

Upcoming bond sales or redemption features on California bonds:

Debt Issuance Section (916) 653-3451